

STATE BONDING FUND
INVESTMENT PERFORMANCE REPORT AS OF MAY 31, 2008

	May-08				April-08				March-08				December-07				September-07				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Policy	Month	Market Value	Allocation	Policy	Month	Market Value	Allocation	Policy	Quarter	Market Value	Allocation	Policy	Quarter	Market Value	Allocation	Policy	Quarter	FYTD	FY07	Ended	Ended
				Net ROR				Net ROR													Net	Net	6/30/2007	6/30/2007
LARGE CAP DOMESTIC EQUITY																								
<i>Structured Growth</i>																								
Los Angeles Capital	76,249	2.9%	2.8%	4.75%	72,909	2.8%	2.8%	5.69%	68,975	2.7%	2.8%	-10.91%	72,127	2.7%	2.8%	-1.50%	74,953	2.8%	2.8%	0.38%	-2.48%	21.84%	13.35%	N/A
Total Structured Growth	76,249	2.9%	2.8%	4.75%	72,909	2.8%	2.8%	5.69%	68,975	2.7%	2.8%	-10.91%	72,127	2.7%	2.8%	-1.50%	74,953	2.8%	2.8%	0.38%	-2.48%	21.84%	13.35%	10.94%
Russell 1000 Growth				3.67%				5.25%				-10.18%				-0.77%				4.21%	1.34%	19.04%	8.70%	9.28%
<i>Structured Value</i>																								
LSV	71,588	2.7%	2.8%	0.11%	71,624	2.7%	2.8%	4.74%	68,363	2.7%	2.8%	-9.73%	70,558	2.6%	2.8%	-5.53%	73,074	2.7%	2.8%	-0.89%	-11.38%	23.77%	19.00%	16.55%
Russell 1000 Value				-0.16%				4.87%				-8.72%				-5.80%				-0.24%	-10.18%	21.87%	15.93%	13.31%
<i>Russell 1000 Enhanced Index</i>																								
LA Capital	149,688	5.7%	5.6%	3.05%	145,520	5.6%	5.6%	5.22%	138,269	5.4%	5.6%	-10.22%	143,469	5.4%	5.6%	-1.07%	149,216	5.6%	5.6%	0.24%	-3.45%	21.27%	13.46%	N/A
Russell 1000				1.83%				5.07%				-9.48%				-3.23%				1.98%	-4.42%	20.43%	12.34%	
<i>S&P 500 Enhanced Index</i>																								
Westridge	155,201	5.9%	5.6%	1.42%	164,731	6.3%	5.6%	5.00%	156,777	6.1%	5.6%	-9.12%	160,793	6.0%	5.6%	-3.04%	165,370	6.2%	5.6%	2.18%	-4.11%	21.12%	11.98%	N/A
S&P 500				1.30%				4.87%				-9.44%				-3.33%				2.03%	-5.12%	20.59%	11.68%	
<i>Index</i>																								
State Street	50,494			2.19%	53,152			3.91%	51,116			-10.81%	43,645			-6.37%	45,313			-0.80%	-12.02%	21.82%	12.34%	11.08%
Total 130/30	50,494	1.9%	1.9%	2.19%	53,152	2.0%	1.9%	3.91%	51,116	2.0%	1.9%	-10.81%	43,645	1.6%	1.9%	-6.37%	45,313	1.7%	1.9%	-0.80%	-12.02%	21.82%	12.34%	11.08%
S&P 500				1.30%				4.87%				-9.44%				-3.33%				2.03%	-5.12%	20.59%	11.68%	10.71%
TOTAL LARGE CAP DOMESTIC EQUITY	503,219	19.2%	18.8%	2.26%	507,936	19.4%	18.8%	5.01%	483,500	18.8%	18.8%	-9.94%	490,592	18.4%	18.8%	-2.89%	507,926	19.0%	18.8%	0.62%	-5.51%	21.86%	13.76%	12.22%
S&P 500				1.30%				4.87%				-9.44%				-3.33%				2.03%	-5.12%	20.59%	11.68%	10.71%
SMALL CAP DOMESTIC EQUITY																								
<i>Manager-of-Managers</i>																								
SEI	85,990	3.3%	3.1%	4.05%	85,775	3.3%	3.1%	4.53%	82,036	3.2%	3.1%	-11.46%	79,846	3.0%	3.1%	-6.35%	85,169	3.2%	3.1%	-3.66%	-13.11%	18.39%	13.70%	14.37%
Russell 2000 + 200bp				4.76%				4.35%				-9.43%				-4.09%				-2.60%	-7.51%	18.76%	15.72%	16.16%
<i>Enhanced</i>																								
Research Affiliates	84,990	3.2%	3.1%	4.22%	84,414	3.2%	3.1%	3.13%	81,856	3.2%	3.1%	-6.75%	75,674	2.8%	3.1%	-7.00%	81,205	3.0%	3.1%	N/A	N/A	N/A	N/A	N/A
Russell 2000				4.59%				4.19%				-9.90%				-4.58%				-3.09%	-9.20%			
TOTAL SMALL CAP DOMESTIC EQUITY	170,980	6.5%	6.3%	4.14%	170,189	6.5%	6.3%	3.83%	163,892	6.4%	6.3%	-9.17%	155,520	5.8%	6.3%	-6.67%	166,374	6.2%	6.3%	-4.98%	-12.90%	18.39%	13.70%	14.37%
Russell 2000				4.59%				4.19%				-9.90%				-4.58%				-3.09%	-9.20%	16.44%	13.45%	13.88%
INTERNATIONAL EQUITY																								
<i>Large Cap - Active</i>																								
Capital Guardian	107,897	4.1%	4.0%	1.42%	112,354	4.3%	4.0%	6.80%	105,282	4.1%	4.0%	-10.93%	106,089	4.0%	4.0%	-1.23%	107,829	4.0%	4.0%	0.61%	-4.12%	25.99%	21.19%	14.89%
LSV	106,951	4.1%	4.0%	0.09%	104,857	4.0%	4.0%	5.94%	99,229	3.9%	4.0%	-12.84%	102,004	3.8%	4.0%	-6.39%	109,462	4.1%	4.0%	-3.37%	-16.40%	31.24%	N/A	N/A
Total Large Cap - Active	214,848	8.2%	8.0%	0.78%	217,211	8.3%	8.0%	6.38%	204,510	7.9%	8.0%	-11.87%	208,092	7.8%	8.0%	-1.43%	217,291	8.1%	8.0%	-1.43%	-10.41%	28.57%	22.95%	18.43%
MSCI EAFE - 50% Hedged				1.26%				6.46%				-12.04%				-2.19%				0.11%	-7.16%	26.94%	22.55%	15.71%
<i>Small Cap - Value</i>																								
DFA	25,290	1.0%	1.0%	2.15%	26,134	1.0%	1.0%	1.65%	25,696	1.0%	1.0%	-3.65%	25,225	0.9%	1.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Lazard	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	26,592	1.0%	1.0%	-3.92%	N/A	21.03%	20.93%	N/A
Total Small Cap Value	25,290	1.0%	1.0%	2.15%	26,134	1.0%	1.0%	1.65%	25,696	1.0%	1.0%	-3.65%	25,225	0.9%	1.0%	-0.64%	26,592	1.0%	1.0%	-3.92%	-4.50%	21.03%	20.93%	N/A
S&P/Citigroup Broad Market Index < \$2BN				2.10%				2.30%				-14.70%				-5.94%				-0.66%	-16.74%	28.58%	26.34%	
<i>Small Cap - Growth</i>																								
Vanguard	24,738	0.9%	1.0%	2.07%	25,593	1.0%	1.0%	2.24%	25,032	1.0%	1.0%	-8.33%	25,821	1.0%	1.0%	-4.84%	26,023	1.0%	1.0%	-1.48%	-10.32%	31.00%	28.08%	N/A
Citigroup Broad Market Index < \$2BN				2.10%				2.30%				-14.70%				-5.94%				-0.66%	-16.74%	28.58%	26.34%	
TOTAL INTERNATIONAL EQUITY	264,876	10.1%	10.0%	1.03%	268,937	10.3%	10.0%	5.50%	255,239	9.9%	10.0%	-10.75%	259,138	9.7%	10.0%	-3.97%	269,907	10.1%	10.0%	-1.70%	-10.19%	28.02%	23.43%	17.15%
MSCI EAFE - 50% Hedged				1.26%				6.46%				-12.04%				-2.19%				0.11%	-7.16%	26.94%	22.55%	15.71%
DOMESTIC FIXED INCOME																								
<i>Core Bond</i>																								
Western Asset	428,629	16.3%	17.1%	-0.65%	422,743	16.1%	17.1%	1.45%	417,616	16.2%	17.1%	-1.03%	448,830	16.8%	17.1%	1.63%	439,212	16.4%	17.1%	1.87%	3.28%	7.29%	4.44%	5.64%
Lehman Aggregate				-0.73%				-0.21%				2.17%				3.00%				2.84%	7.21%	6.12%	3.98%	4.48%
<i>Mortgage Backed</i>																								
Hyperion	99,077	3.8%	4.4%	-0.47%	101,796	3.9%	4.4%	-1.88%	106,811	4.1%	4.4%	-7.97%	120,058	4.5%	4.4%	-1.00%	119,544	4.5%	4.4%	-1.78%	-12.60%	N/A	N/A	N/A
Lehman Global Aggregate (US Securitized Portion)				-0.70%				-0.57%				4.18%				3.15%				3.88%	10.22%			
<i>Core Plus/Enhanced</i>																								
Clifton Group	126,553	4.8%	4.4%	-0.65%	124,823	4.8%	4.4%	-0.73%	125,831	4.9%	4.4%	3.69%	130,842	4.9%	4.4%	3.99%	124,007	4.6%	4.4%	4.41%	11.04%	5.52%	N/A	N/A
Prudential	124,442	4.7%	4.4%	-0.28%	122,219	4.7%	4.4%	0.50%	122,422	4.8%	4.4%	0.95%	125,451	4.7%	4.4%	2.45%	120,714	4.5%	4.4%	1.95%	5.67%	N/A	N/A	N/A
Total Core Plus/Enhanced	250,995	9.6%	8.8%	-0.47%	247,042	9.4%	8.8%	-0.12%	248,253	9.6%	8.8%	2.35%	256,293	9.6%	8.8%	3.23%	244,721	9.1%	8.8%	3.18%	8.38%	5.95%	N/A	N/A
Lehman Aggregate				-0.73%				-0.21%				2.17%				3.00%				2.84%	7.21%	6.12%		

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	May-08				April-08				March-08				December-07				September-07				Current	Prior Year	3 Years	5 Years
	Allocation		Month		Allocation		Month		Allocation		Quarter		Allocation		Quarter		Allocation		Quarter		FYTD	FY07	6/30/2007	6/30/2007
	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Net	Net	Net	Net
Index																								
Bank of ND	215,519	8.2%	7.7%	-1.09%	213,573	8.1%	7.7%	-0.87%	215,361	8.4%	7.7%	2.94%	224,526	8.4%	7.7%	3.04%	218,634	8.2%	7.7%	3.09%	7.24%	5.45%	2.92%	4.32%
<i>Lehman Gov/Credit (1)</i>				-1.03%				-0.59%				2.53%				3.10%				3.01%	7.13%	6.00%	3.04%	4.35%
BBB Average Quality																								
Wells Capital (formerly Strong)	432,297	16.5%	17.1%	-0.95%	427,961	16.3%	17.1%	0.55%	425,452	16.5%	17.1%	0.36%	444,958	16.7%	17.1%	1.98%	433,385	16.2%	17.1%	1.48%	3.45%	7.93%	4.86%	6.59%
<i>Lehman US Credit BAA</i>				-0.64%				1.30%				-1.05%				1.90%				1.67%	3.18%	7.54%	4.47%	6.59%
TOTAL DOMESTIC FIXED INCOME	1,426,517	54.3%	55.0%	-0.76%	1,413,114	53.9%	55.0%	0.30%	1,413,494	54.8%	55.0%	0.00%	1,494,665	56.1%	55.0%	2.00%	1,455,495	54.4%	55.0%	1.84%	3.40%	7.11%	3.89%	5.04%
<i>Lehman Aggregate (2)</i>				-0.73%				-0.21%				2.17%				3.00%				2.84%	7.21%	6.12%	4.13%	4.87%
CASH EQUIVALENTS																								
Bank of ND	262,067	10.0%	10.0%	0.16%	260,578	9.9%	10.0%	0.15%	261,164	10.1%	10.0%	0.70%	265,295	10.0%	10.0%	0.96%	277,473	10.4%	10.0%	1.24%	3.25%	5.36%	4.10%	3.00%
<i>90 Day T-Bill</i>				0.03%				0.11%				0.88%				1.05%				1.34%	3.45%	5.21%	3.78%	2.76%
TOTAL BONDING FUND	2,627,660	100.0%	100.0%	0.42%	2,620,754	100.0%	100.0%	1.91%	2,577,289	100.0%	100.0%	-3.31%	2,665,210	100.0%	100.0%	-0.17%	2,677,175	100.0%	100.0%	0.63%	-0.60%	12.43%	8.06%	8.32%
POLICY TARGET BENCHMARK				0.26%				1.72%				-2.38%				0.64%				1.92%	2.11%	11.30%	7.64%	7.64%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) From April 1, 2004, through June 30, 2005, the benchmark was the LB Intermediate Govt/Credit index.

(2) Prior to July 1, 2005, the benchmark was LB Govt/Credit Index.